

Message Text

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21

ACTION XMB-07

INFO OCT-01 EA-11 ISO-00 AID-20 CIAE-00 COME-00 EB-11

FRB-02 INR-10 NSAE-00 RSC-01 TRSE-00 OPIC-12 SPC-03

CIEP-02 LAB-06 SIL-01 OMB-01 NSC-10 SS-20 STR-08

CEA-02 PM-07 H-03 L-03 PA-04 PRS-01 USIA-15 DRC-01

(ISO) W

----- 109560

R 280803Z DEC 73

FM AMEMBASSY SEOUL

TO SECSTATE WASHDC 1794

SECDEF WASHDC

INFO CINCPAC

C O N F I D E N T I A L SEOUL 8721

PASS COMMERCE AND EXIMBANK

E.O. 11652: GDS

TAGS: EGEN, MASS, KS

SUBJECT: ROK DEFENSE INDUSTRY: POONGSAN METAL MFG. CO.

1. POONGSAN METAL MFG CO., LTD. HAS REQUESTED EMBASSY/WASHINGTON AGENCY ASSISTANCE IN OBTAINING FINANCING FOR \$3.5 MILLION EXPANSION OF BRASS AND COPPER FABRICATING PLANT TO PRODUCE COMPONENTS FOR SMALL ARMS AND ARTILLERY AMMUNITION. ACCORDING TO POONGSAN, GROUP OF U.S. SUPPLIERS HEADED BY WESTINGHOUSE HAS ALREADY BEEN REQUESTED SUBMIT QUOTATIONS.

2. THIS PROJECT HAS FULL SUPPORT OF AGENCY FOR DEFENSE DEVELOPMENT OF MINISTRY OF NATIONAL DEFENSE AND ECONOMIC PLANNING BOARD. EPB A ST. MIN., B.T. HWANG, ASSURED EMBOFF ANY LOAN WOULD BE GUARANTEED BY KOREA EXCHANGE BANK.

*3. WE REALIZE EXIMBANK MAY BE UNABLE PROVIDE FINANCING AND THAT SOME U.S. COMMERCIAL BANKS ARE HESITANT TO INVOLVE THEMSELVES WITH
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FOREIGN MILITARY PROJECTS. ALL THREE U.S. BANKS WITH SEOUL OFFICES HAVE STRICT POLICIES WHICH WOULD PRECLUDE MAKING THIS LOAN. THE

PROJECT, HOWEVER, IS A STEP TOWARD MEETING NEEDS OF ROK ARMED FORCES FROM DOMESTIC INDUSTRY, A GOAL WHICH WAS ENDORSED BY DOD DEPUTY SECRETARY CLEMENTS DURING HIS RECENT VISIT TO SEOUL.

4. ACTION REQUESTED: EMBASSY REQUESTS WASHINGTON AGENCIES CONTACT POONGSAN IN NEW YORK TELEPHONE (212) 725-5054 AND WESTINGHOUSE DO DISCUSS FINANCING POSSIBILITIES. WE HOPE STRONG EXPRESSION OF USG INTEREST WOULD ENCOURAGE SUPPLIERS TO MAKE GREATER EFFORT LOCATE FINANCING FOR THIS PROJECT. SEVERAL U.S. BANKS, INCLUDING LASALLE NATIONAL AND SOCIETY NATIONAL OF CLEVELAND HAVE EXPRESSED INTEREST DOING ADDITIONAL BUSINESS IN KOREA.
UNDERHILL

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Message Attributes

Automatic Decaptioning: X
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Copy: SINGLE
Draft Date: 28 DEC 1973
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: golinofr
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
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Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: GS
Errors: N/A
Film Number: n/a
From: SEOUL
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1973/newtext/t1973123/aaaaabor.tel
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Office: ACTION XMB
Original Classification: CONFIDENTIAL
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Review Event:
Review Exemptions: n/a
Review History: RELEASED <27-Nov-2001 by kelleyw0>; APPROVED <20-Dec-2001 by golinofr>
Review Markings:

Declassified/Released
US Department of State
EO Systematic Review
30 JUN 2005

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Review Withdrawn Fields: n/a
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TAGS: EGEN, MASS, KS, POONGSAN METAL MFG CO
To: STATE SECDEF WASHDC
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